in all the aspects particularly in relation to taxation of the corporate sector and problems of international tax harmonisation;

(3) To assess the likely nature and magnitude of transitional problems and suggest solutions, m case reform of the income tax base to provide for exclusion of savings is considered desirable and feasible-.,

(4) To examine related issues.

(b) The committee will be requested to submit its report within a year.

Loss Incurred in the Singapore Branch of State Bank of India

16«, SHRI J. P. GOYAL: Will the Minister of FINANCE be pleased to state.

(a) whether it is a fact (hat according to suivey conducted on financial institutions it has been found that the Singapore banch of the State Bank of India has incurred net losses of about Rs. 24 crores during 1984;

(b) if so, whether any investigation bas b<.er- made into the reasons for this loss;

(c) what are the details of the other branches of the State Bank oi India in foreign countries which have incurred losses during -984; the extent of loss incurred in each branch and the reasons therefor; and

(d) what remedial measures Government have taken or propose to take =n regai d thereto?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHAN- POOJARI), (a) and (b) Commercial Banks, including Public Sector Banks, make provision every year out of their annual income for meeting their liability towards bad and doubtful debts to the satisfaction of their statutory auditors and write off the debts which are considered by their managements as ultimately 'Unrecoverable agaiSst the provisions so made. State Bank of India has also made prorisons **for** meeting its liability towards bad and doubtful aeots inchd'mg those at the Singapore Branch. According to ihe form of balance-sheet and profit and loss account, prescribed under the Banking Regulation Act, 1949 and according to practices and usages customary amongst the banks, particulars of bad and doubtful debts, for which provision has been made to the satisfaction of their 'auditors are not to be disclosed. In view of this, information in this regard can not be 'divulged. Reserve Bank of India has however reported that" it has already asked State Bank of India to look into the various loan losses incurred at iis Singapore Branch and take appropriate action.

(c) A few branches 0f State Bank of India are reported to have suffered loan losses during the year 1984. According to the Reserve Bank of India, these losses have been occasioned due to failure of some large borrowers and the problem of externalisaion of payments from some countries.

(d) The preformance of the overseas biandbes of Public Sector Banks is continually reviewed by the Government and the Reserve Bank of India. Instructions have heady been issued to the banks to strengthen the working of their overseas branches and close down unremunerative branches if they are not viable.

Grant of Extension in Service in the Enforcement Directorate .

1663. SHRI SURESH KALAMADl: Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that Government arc considering to grant extension in service to some officials in the Enforcement Directorate under the Ministry of Finance; and

(b) if so, what are the reasonc therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHAN POOJARI): (a) No, Sir.

fb) Does not arise.